

INDEPENDENT ACCOUNTANTS' REPORT ON  
MONTANA CASH DRAWINGS

**Montana State Lottery**

*June 30, 2006*

**GALUSHA, HIGGINS & GALUSHA**

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# Montana State Lottery

*June 30, 2006*

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## CONTENTS

Transmittal Letter from the Legislative Audit Division.....	1
Listing of the Commission Members and Administrative Officials .....	2
Introduction, Background, and Reportable Observations.....	3
Independent Accountants' Report on Applying Agreed-Upon Procedures .....	4-5
Statement of Montana Cash Winning Numbers .....	6-8

# LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor  
Tori Hunthausen,  
Chief Deputy Legislative Auditor



Deputy Legislative Auditors:  
James Gillett  
Jim Pellegrini

July 2006

The Legislative Audit Committee  
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana State Lottery Observations for the  
fiscal year ended June 30, 2006.

The audit was conducted by Galusha, Higgins & Galusha, PC, under a contract between  
the firm and our office. There are no recommendations in this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat", written over a light gray rectangular background.

Scott A. Seacat  
Legislative Auditor

06C-03

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**Montana State Lottery**  
**COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS**  
*June 30, 2006*

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**COMMISSION MEMBERS**

**RESIDENCE**

Robert Crippen, CPA, Chairperson

Butte

Beth O'Halloran

Missoula

Craig Anderson, Sheriff

Glendive

Thomas M. Keegan, Attorney at Law

Helena

Wilbur Rehman

Helena

**ADMINISTRATIVE OFFICIALS**

George Parisot, Montana State Lottery Director

John Tarr, Montana State Lottery Director of Security

**Montana State Lottery**  
**INTRODUCTION, BACKGROUND, AND REPORTABLE OBSERVATIONS**  
*June 30, 2006*

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**INTRODUCTION**

We performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2006:

- 1) Witnessed and reported on each Montana Cash drawing;
- 2) examined all lottery drawing equipment prior to and after each drawing; and
- 3) tested compliance with applicable statutes and regulations.

**BACKGROUND**

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which players purchase from the State, through the administration of the Montana State Lottery, a chance to win a prize.

**REPORTABLE OBSERVATIONS**

In addition to the independent accountants' report on agreed-upon procedures, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and our recommendations to the State and the Montana State Lottery. We have nothing to report in those areas.

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Commissioners  
Montana State Lottery  
Helena, Montana

We have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana State Lottery for the year ended June 30, 2006. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures we performed and our findings are summarized as follows:

1. We read the "Montana Cash Drawing Procedures." In performing this and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker, and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.
4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.

To the Commissioners  
Montana State Lottery

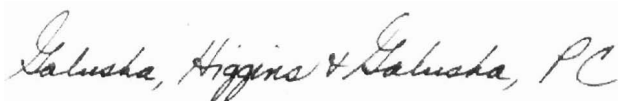
5. We observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.
6. We observed the performance of the post-drawing tests, recorded the results and determined that the applicable procedures were followed.
7. We observed the resealing of the ball sets, ball locker and machine cabinet door.

We have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by us. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2006. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Montana State Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.



GALUSHA, HIGGINS AND GALUSHA, PC  
Certified Public Accountants and Advisors

Helena, Montana  
July 11, 2006

## Montana State Lottery

### STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2006*

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The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

<u>Date</u>	<u>Winning Numbers</u>				
July 2, 2005	17	5	6	9	21
July 6, 2005	4	29	21	25	13
July 9, 2005	1	37	21	34	33
July 13, 2005	9	10	27	26	7
July 16, 2005	15	22	32	29	26
July 20, 2005	14	37	15	26	28
July 23, 2005	25	35	29	7	22
July 27, 2005	35	1	10	32	21
July 30, 2005	8	4	32	31	29
August 3, 2005	13	33	21	8	5
August 6, 2005	6	27	14	30	19
August 10, 2005	9	24	34	36	1
August 13, 2005	36	4	18	10	37
August 17, 2005	34	33	1	14	19
August 20, 2005	33	6	8	7	1
August 24, 2005	7	16	10	3	20
August 27, 2005	32	6	20	10	4
August 31, 2005	12	18	28	9	14
September 3, 2005	10	33	5	7	21
September 7, 2005	15	3	30	34	36
September 10, 2005	18	24	6	26	29
September 14, 2005	18	21	37	8	24
September 17, 2005	30	20	23	4	22
September 21, 2005	20	1	3	25	28
September 24, 2005	30	37	36	21	19
September 28, 2005	6	29	9	22	2
October 1, 2005	19	21	29	2	27
October 5, 2005	34	24	22	5	32
October 8, 2005	8	2	3	19	35
October 12, 2005	28	13	24	36	6
October 15, 2005	26	12	4	35	14
October 19, 2005	12	26	37	14	30
October 22, 2005	13	6	2	24	27
October 26, 2005	3	34	5	32	23
October 29, 2005	18	19	8	23	21

Continued



# Montana State Lottery

## STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2006*

<u>Date</u>	<u>Winning Numbers</u>				
November 2, 2005	3	34	4	29	24
November 5, 2005	17	29	20	28	26
November 9, 2005	34	17	19	15	14
November 12, 2005	8	25	14	11	10
November 16, 2005	23	15	21	25	12
November 19, 2005	7	37	23	4	8
November 23, 2005	28	36	12	10	13
November 26, 2005	14	29	26	31	25
November 30, 2005	2	21	31	12	3
December 3, 2005	19	29	10	17	36
December 7, 2005	21	28	9	26	12
December 10, 2005	29	31	26	1	14
December 14, 2005	35	33	17	31	11
December 17, 2005	22	30	9	27	17
December 21, 2005	17	1	4	33	9
December 24, 2005	2	9	33	18	27
December 28, 2005	8	10	37	32	2
December 31, 2005	15	17	33	28	20
January 4, 2006	16	8	4	27	19
January 7, 2006	26	31	20	15	11
January 11, 2006	4	11	6	34	3
January 14, 2006	3	28	36	35	12
January 18, 2006	24	20	8	3	23
January 21, 2006	16	21	14	29	26
January 25, 2006	34	2	20	36	37
January 28, 2006	36	18	10	28	35
February 1, 2006	9	26	16	36	25
February 4, 2006	12	14	11	28	18
February 8, 2006	23	16	37	24	19
February 11, 2006	13	25	23	14	5
February 15, 2006	4	30	17	18	29
February 18, 2006	37	8	22	12	34
February 22, 2006	20	18	31	33	7
February 25, 2006	18	32	22	28	36
March 1, 2006	5	17	10	3	37

Continued

# Montana State Lottery

## STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2006*

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<u>Date</u>	<u>Winning Numbers</u>				
March 4, 2006	11	16	24	5	17
March 8, 2006	15	29	26	23	30
March 11, 2006	34	4	29	21	7
March 15, 2006	5	36	18	25	13
March 18, 2006	20	9	12	21	26
March 22, 2006	33	25	29	6	35
March 25, 2006	4	33	14	20	1
March 29, 2006	36	1	5	23	9
April 1, 2006	7	16	13	23	35
April 5, 2006	11	20	22	12	1
April 8, 2006	7	36	13	9	37
April 12, 2006	22	28	34	16	10
April 15, 2006	27	34	7	36	20
April 19, 2006	19	15	18	14	29
April 22, 2006	22	18	16	12	5
April 26, 2006	21	16	6	28	24
April 29, 2006	30	6	10	15	35
May 3, 2006	34	36	23	15	21
May 6, 2006	23	16	34	30	5
May 10, 2006	26	30	24	23	3
May 13, 2006	34	30	16	26	1
May 17, 2006	22	15	4	8	30
May 20, 2006	6	5	26	18	29
May 24, 2006	33	35	7	32	23
May 27, 2006	3	2	32	10	35
May 31, 2006	2	24	13	21	4
June 3, 2006	25	4	10	19	3
June 7, 2006	11	22	5	32	10
June 10, 2006	19	16	35	17	6
June 14, 2006	29	34	27	13	10
June 17, 2006	24	7	9	19	3
June 21, 2006	27	2	17	32	30
June 24, 2006	16	17	10	28	23
June 28, 2006	28	4	6	24	11

Concluded